

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 2875 – SB 3586

May 18, 2010

SUMMARY OF AMENDMENTS (014768, 017964, 018756): Deletes all language of the original bill. Deletes existing definitions associated with automobile clubs and associations. Authorizes the Commissioner of the Department of Commerce and Insurance to grant certificates of authorization to automobile clubs and associations and promulgate rules and regulations. Requires automobile clubs and associations to file annually with the Commissioner, an application for a certificate of authority to continue operation in the state. Requires all applicants to pay a \$20 fee to the Commissioner. Amendment 018756 removes prohibition against reducing the time exposure of yellow lights at intersections if the purpose is to increase the number of traffic violations. Current law will still require the light to remain yellow for at least three seconds. Prohibits state agencies or local governments from installing or maintaining red light surveillance cameras. Notices of violations supported by surveillance cameras are enforceable if the violation occurred prior to January 1, 2011.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Expenditures – Not Significant

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENTS:

Increase State Revenue - Not Significant

Increase State Expenditures – Not Significant

Forgone Local Revenue – Exceeds \$500,000/FY10-11

Exceeds \$1,000,000/FY11-12 and Succeeding Years

Decrease Local Revenue – Exceeds \$1,000,000/FY10-11

Exceeds \$2,000,000/FY11-12 and Succeeding Years

Decrease Local Expenditures – Cost Avoidance – Exceeds \$50,000/FY10-11

Exceeds \$100,000/FY11-12

and Succeeding Years

Decrease Local Expenditures – Exceeds \$100,000/FY10-11

Exceeds \$200,000/FY11-12

and Succeeding Years

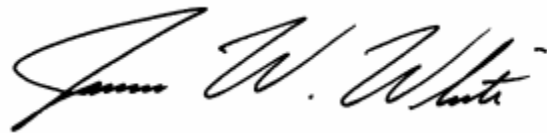
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Assumptions applied to amendments:

- Any increase to state revenue as a result of an increase in applications fees will be not significant.
- The Department of Commerce and Insurance already regulates the automobile club industry. Any increase to state expenditures will be not significant.
- No significant impact in changing yellow light durations.
- State agencies do not currently utilize traffic surveillance cameras.
- Local governments that are not currently operating cameras but that would have utilized cameras in the absence of this legislation will experience forgone local revenue estimated to exceed \$500,000 in FY10-11 and \$1,000,000 in FY11-12 and succeeding years for traffic fines that will not be collected.
- Local governments currently operating cameras will experience a decrease in local revenue estimated to exceed \$1,000,000 in FY10-11 and \$2,000,000 in FY11-12 and succeeding years for traffic fines that will no longer be collected.
- Local governments that are not currently operating cameras but that would have utilized cameras in the absence of this legislation will experience a cost avoidance in local expenditures estimated to exceed \$50,000 in FY10-11 and \$100,000 in FY11-12 and succeeding years for not paying vendors a portion of fines.
- Most cameras are operated through a contract with a vendor; the vendor is paid a percentage of fines collected. Local governments currently operating cameras will experience a decrease in expenditures estimated to exceed \$100,000 in FY10-11 and \$200,000 in FY11-12 and succeeding years for no longer paying vendors a portion of fines.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

/jaw